

SENATE BILL 1438

By Gardenhire

AN ACT to amend Chapter 297 of the Private Acts of 1976; as amended by Chapter 125 of the Private Acts of 1977; Chapter 71 of the Private Acts of 2012 and Chapter 72 of the Private Acts of 2014; and any other acts amendatory thereto, relative to a hospital authority created to operate Baroness Erlanger Hospital, T. C. Thompson Children's Hospital, and other facilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Chapter 297 of the Private Acts of 1976, as amended by Chapter 125 of the Private Acts of 1977, and any other acts amendatory thereto, is amended by deleting

SECTION 11 and substituting instead the following:

SECTION 11.

(a)

(1) On July 1, 2017, a Financial Review Committee shall be created consisting of five (5) members.

(2) The membership shall be composed of:

(A) The auditor of Hamilton County, a voting ex officio member;

(B) The chairperson of the board of trustees of the authority or the designee of the chairperson, a voting ex officio member;

(C) One (1) member appointed by the County Mayor of Hamilton County, to an initial one (1) year term beginning on July 1, 2017;

(D) One (1) member appointed in the same manner as members of the Board of Trustees who are appointed by resolution of the General Assembly pursuant to Section 3 to an initial two (2) year term beginning on July 1, 2017; and

(E) One (1) member appointed in the same manner as members of the Board of Trustees who are appointed by resolution of the General Assembly pursuant to Section 3 to an initial three (3) year term beginning on July 1, 2017.

(3) For the purpose of staggering terms, after an appointed member serves the initial term, all subsequent terms shall be three (3) years.

(4) The members of the committee shall serve without compensation. They shall be indemnified by the authority for any liability they might incur while acting in such capacity other than for culpable negligence.

(5) A successor of an appointee or member shall be appointed in the same manner and by the same official who appointed the person whose term has expired. Any person appointed to fill a vacancy for any reason other than expiration of term of office shall be appointed to hold office for the remaining term of the member vacating the office. The vacancy shall be filled in the same manner as the original appointment.

(b)

(1) The Financial Review Committee shall review the proposed issuance of bonds or long-term notes, to consider if the issuance of those obligations is within the fiscal ability of the authority based on:

(A) The appropriate preceding annual audits;

(B) Monthly operating statements subsequent to the closing date of the most recent audit period included in the most recent annual audit; and

(C) Additional revenue projections reasonably anticipated as a result of the proposed capital expenditure (taking into account any probable revenue loss during replacement, if any), and any other data reasonably bearing upon the fiscal soundness of the issuance of such bonds or long-term notes.

(2) At the time the Board of Trustees of the authority desires to authorize the issuance of bonds or long-term notes, the board shall first submit the proposal to issue the obligations to the Financial Review Committee. The committee shall file its advisory report thereon with the Board of Trustees within sixty (60) days after the receipt of such proposal. Upon the filing of the report with the Board of Trustees, or after sixty (60) days following the date of submission, whichever is earlier, the Board of Trustees may proceed with the issuance of such bonds or long-term notes.

(3) The submission to the Financial Review Committee required by this subsection (b) is not necessary whenever the committee has not then been validly appointed and is not in existence.

(c) The Financial Review Committee shall annually review the proposed budget prepared by the Board of Trustees and the committee shall approve or disapprove the proposal and file its report with the Board of Trustees and the county council. A disapproved budget may not take effect.

(d) All reports to the Financial Review Committee shall be made to the county council of the county and the Board of Trustees of the authority, and shall be considered by the respective governing bodies with which such reports are filed.

SECTION 2. Chapter 297 of the Private Acts of 1976, as amended by Chapter 125 of the Private Acts of 1977, Chapter 71 of the Private Acts of 2012, Chapter 72 of the Private Acts of 2014, and any other acts amendatory thereto, is amended by adding the following language at the end of SECTION 3:

The chairman or chairwoman of the Board of Trustees shall be appointed by a majority vote of the four (4) members of the Board of Trustees who are appointed by resolution of the General Assembly pursuant to this section.

SECTION 3. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of Hamilton County. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body and certified to the secretary of state.

SECTION 4. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective as provided in Section 3.